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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000624

SIPDIS

STATE FOR SCA/CEN, EEB

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TAGS: PGOV PHUM PREL EAGR EINV EPET ETRD TX EU

SUBJECT: "TIMING WAS RIGHT" FOR EUROPEAN INTERIM TRADE

AGREEMENT WITH TURKMENISTAN

REF: ASHGABAT 462

Classified By: Charge Richard Miles, reasons 1.4 (B) and (D).

**¶1.** (SBU) SUMMARY: Several European diplomats agree that the time was right for the European Parliament to adopt an interim agreement on trade and trade-related matters with Turkmenistan, especially since Europe's top priority is energy. While the interim agreement mentions benchmarks, it does not list deadlines or specific consequences if human rights in Turkmenistan do not improve. One person said that adoption of the interim agreement was timed to coincide with the Conference on Pipeline Security. By overlooking Turkmenistan's less-than-perfect human rights record, Europe decided that it would be easier to promote reforms in Turkmenistan with honey than vinegar. END SUMMARY.

**¶2.** (U) The European Parliament approved an interim agreement on trade and trade-related matters between the European Union and Turkmenistan on April 22, with 469 voting in favor of the interim agreement, 162 against, and 44 abstentions. Members expressed concerns -- primarily in the human rights sphere -- by way of a non-legislative Resolution on the agreement.

A POLISH DIPLOMAT'S VIEW OF REASONS FOR THE INTERIM AGREEMENT

**¶3.** (C) Polish diplomat Robert Rokicki (please protect) said in a meeting on May 7 that this interim agreement was an important step because it allowed the EU to overcome a difficult hurdle in light of European Union concerns about human rights issues. He said adoption opens the door to cooperation in trade and human rights. The European Union decided to adopt the interim agreement because members believe that this step will allow them to influence progress toward improving human rights in Turkmenistan in a positive way. However, human rights organizations believe that the adoption of the interim agreement will result in the European Union losing leverage. Rokicki added that members who were in favor of adopting the agreement felt that the absence of any trade agreement in Turkmenistan did not influence Turkmenistan in a positive way -- and that the European Union had nothing to lose by trying. He also mentioned that Turkmenistan's interest in having a trade agreement waned over time as it realized that Europe had more to gain from

having one -- given Europe's interests in Turkmenistan's energy resources -- and therefore the European Union decided to accelerate the process. Rokicki said that it was also worth pointing out that Uzbekistan and the European Union have trade agreements, which made arguments against having one with Turkmenistan because of human rights abuses moot.

#### TOO EARLY FOR PREDICTIONS

¶4. (C) Rokicki said that it will take months or years to see if the interim agreement has a positive influence on Turkmenistan. It also was too early to discuss energy goals, because Turkmenistan first needs to update its legislation before companies can conclude agreements. However, this agreement should facilitate access of European goods to Turkmen markets as well of Turkmen goods to Europe. In any case, the European Union believes that it will facilitate dialogue on human rights and allows for the withdrawal of certain clauses if Turkmenistan does not make progress in improving human rights conditions in the country.

#### EUROPE TIMED ADOPTION TO OCCUR RIGHT BEFORE THE PIPELINE SECURITY CONFERENCE

¶5. (C) French DCM Fabienne Drout-Lozinski and German DCM Silke Hahn (please protect both) said in a meeting on May 12 that the Turkmen wanted the agreement and that the European Parliament timed adoption of the interim agreement to occur right before the Conference on Pipeline Security. They added that the time was right for Europe to adopt it as well.

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According to these DCMs, the European Parliament wrote it as a framework specifically in order to avoid painting Turkmenistan into a corner.

#### TURKMEN LOOKING FOR POLITICAL SUPPORT FOLLOWING GAS PIPELINE EXPLOSION

¶6. (C) In a meeting on May 13, Europa House Co-Coordinator Theo Hensels (please protect) agreed that the timing was right for this agreement, adding that he "was embarrassed by the European Parliament's attitude" and that it was "unfortunate that it wasn't adopted earlier." He said that adoption of the interim agreement sends a strong message of political support which the Turkmen are desperately seeking, following the gas pipeline explosion on April 9 (refetel). Hensels added that President Berdimuhamedov and others at the top levels of Turkmenistan's Government want reform and want to comply with international standards.

¶7. (C) COMMENT: Polish diplomat Rokicki said that "Something had to be done because our previous efforts were ineffective and the human rights situation didn't improve at all." By overlooking Turkmenistan's less-than-perfect human rights record, Europe has decided that it is easier to promote reforms in Turkmenistan with honey than vinegar. Europe is wasting no time in leveraging the interim agreement: a European Union delegation began talks with Turkmen agriculture and energy ministries on May 5. END COMMENT.

MILES